



U.S. Department
of Transportation
Federal Aviation
Administration

Western-Pacific Region
Airports Division

Federal Aviation Administration
P.O. Box 92007
Los Angeles, CA 90009-2007

September 26, 2001

Rick Jenkins, Manager
Airports Division
County of San Diego
Department of Public Works
5469 Kearny Villa Road, Suite 305
San Diego, CA 92123

Dear Mr. Jenkins:

Financial Government Payment Reports
Gillespie Field and McClellan-Palomar Airport

This is our final letter regarding correspondence we initiated on May 25, 2000, concerning our review of the Financial Government Payment Reports, FAA Forms 5100-125 and 5100-126, filed by the county of San Diego for fiscal years 1998 and 1999. The 5100-126 forms listed 1998 and 1999 payments to the cities of El Cajon and Carlsbad and to the Gillespie Field Redevelopment Agency. At the time, it was not clear whether the reported loans and expenses represented permitted uses of airport revenue.

During our review, we learned that airport funds were used for capital improvements at Gillespie Field and McClellan-Palomar Airport. Approximately \$825,000 in airport revenue was contributed as a loan towards the total construction costs of extending Marshall Avenue at Gillespie Field. During fiscal years 1998-1999, about \$523,683 in airport revenue was reported paid for roadway improvements along Palomar Airport Road and El Camino Real at McClellan-Palomar Airport.

We have evaluated the expenditures in relation to the revenue-use policy requiring that revenues generated by a public airport be expended for the capital and operating cost of the airport, the local airport system, or other local facilities owned and operated by the airport owner and directly related to air transportation. We have concluded that these expenditures were contributions to capital airport improvements, and thereby, qualify as permitted uses of airport revenue.

We, therefore, consider our financial report inquiries ended so you may consider this particular matter closed. Other correspondence will follow and provide guidance concerning roadway easements and their revenue-use implications at Gillespie Field and McClellan-Palomar Airport.

If you have any questions, please call me at (310) 725-3634.

Sincerely,

A handwritten signature in cursive script, appearing to read "Tony Garcia".

Tony Garcia
Airports Compliance Specialist

Ellsworth L. Chan, Manager
Safety and Standards Branch